ASSISTANT SECRETARY OF DEFENSE
2900 DEFENSE PENTAGON
WASHINGTON, DC 20301-2900

INTERNATIONAL SECURITY
POLICY

AUG 26 2002

Honorable Bob Stump
Chairman, Committee on
Armed Services
House of Representatives
Washington, DC 20515-6035

Dear Mr. Chairman:

In accordance with Section 1307 of the Fiscal Year (FY) 1999 Defense Authorization Act, Public Law No. 105-261, the Department of Defense is submitting a report (attached) that includes a descriptive summary of appropriations requested for each project category under each Cooperative Threat Reduction (CTR) program element. The report includes a descriptive summary of the amounts obligated or expended, or planned to be obligated or expended, for each project category under each CTR program element for FY 2001, FY 2002, and FY 2003.

In addition to sending a similar letter to Chairman Levin, letters are also being sent to the President of the Senate, Speaker of the House and the Chairmen and Ranking Members of the Committees on Appropriations, Foreign Relations, and International Relations.

Sincerely,

J.D. Crouch II

Enclosure:
As stated

cc:
Honorable Ike Skelton
Ranking Member

REPORT ON THE SUMMARY OF AMOUNTS FOR COOPERATIVE THREAT REDUCTION (CTR) PROGRAMS IN THE FORMER SOVIET UNION

Requirement: Section 1307 of the National Defense Authorization Act (NDAA) for Fiscal Year 1999 (Public Law 105-261) entitled, "Requirement to Submit Summary of Amounts Requested by Project Category," provides:

(a) The Secretary of Defense shall submit to Congress as part of the Secretary's annual budget request to Congress

(1) a descriptive summary, with respect to the appropriations requested for Cooperative Threat Reduction programs for the fiscal year after the fiscal year in which the summary is submitted, of the amounts requested for each project category under each Cooperative Threat Reduction program element; and

(2) a descriptive summary, with respect to appropriations for Cooperative Threat Reduction programs for the fiscal year in which the list is submitted and the previous fiscal year, of the amounts obligated or expended, or planned to be obligated or expended, for each project category under each Cooperative Threat Reduction program element.

(b) The descriptive summary required under subsection (a) shall include a narrative description of each program and project category under each Cooperative Threat Reduction program element that explains the purpose and intent of the funds requested.

The following descriptive summary is provided in accordance with Section 1307 of the FY 1999 NDAA.

Program /Project	FY 2001 Actual ($K)	FY 2002 Current Estimate ($K)	FY 2003 Budget Estimate ($K)
A. Strategic Offensive Arms Elimination - Russia	$177,800	$133,405	$70,500
Emergency Response Support Equipment	$201	$201	$201
Solid Propellant Disposition Facility	$108,582	$25,185	$1,000
Solid Propellant ICBM/SLBM and Mobile Launcher Elimination	$9,398	$43,108	$20,904
Liquid Propellant Disposition Systems	$12,578		
Liquid Propellant ICBM and Silo Elimination	$1,077	$24,249	$12,255
SLBM Launcher Elimination /SSBN Dismantlement	$33,207	$17,116	$25,293
Spent Naval Fuel Disposition	$11,808	$19,773	$9,159
Liquid Propellant SLBM Elimination	$949	$3,773	$1,688
B. Nuclear Weapons Storage Security - Russia	$89,700	$55,000	$40,000
Automated Inventory Control & Management System	$996	$488	$484
Personnel Reliability and Safety	$348	$211	$195
Guard Force Equipment and Training	$2,753	$321	$303
Nuclear Weapons Storage Site Support	$12,065	$11,906	$6,180
Site Security Enhancements	$73,538	$42,074	$32,838
C. Nuclear Weapons Transportation Security - Russia	$14,000	$9,500	$19,700
Nuclear Weapons Transportation	$12,434	$9,500	$14,817
Railcar Maintenance and Procurement	$756		$4,383
Weapons Transportation Safety Enhancements	$810		$500
D. Fissile Material Storage Facility - Russia	$56,425		
E. Elimination of Weapons Grade Plutonium Production – Russia*	$32,100	$41,700	
F. Strategic Nuclear Arms Elimination - Ukraine	$35,900	$50,000	$6,500
SS-19 Neutralization and Dismantlement Facility	$2,070		
SS-24 Silo Elimination	$3,940		
SS-24 Missile Disassembly, Storage, and Elimination	$3,290	$13,029	
SS-24 Propellant Disposition Facility	$14,400	$35,929	$6,500
Bomber & ALCM Elimination	$12,200	$1,042	
G. Weapons Of Mass Destruction Infrastructure Elimination – Ukraine		$6,024	$8,800
Liquid Missile Propellant and Storage Facility Elimination		$4,024	$4,800
Airbase Infrastructure Elimination		$2,000	$4,000

Program /Project	FY 2001 Actual ($K)	FY 2002 Current Estimate ($K)	FY 2003 Budget Estimate ($K)
H. Weapons Of Mass Destruction Infrastructure Elimination - Kazakhstan		$6,000	$9,000
Fissile and Radioactive Material Proliferation Prevention		$3,000	$2,000
Airbase Infrastructure Elimination		$2,000	$3,000
Liquid Missile Propellant and Storage Facility Elimination		$500	$1,000
CW Production Facility Dismantlement		$500	$3,000
I. BW Proliferation Prevention - FSU	$12,000	$17,000	$55,000
Security Enhancements	$4,100	$5,800	$30,000
BW Production Facilities Dismantlement	$2,700	$5,300	$14,200
Collaborative Research	$5,200	$5,900	$10,800
J. Chemical Weapons Destruction - Russia		$50,000	$133,600
Chemical Weapons Destruction Facility		$35,000	$126,600
Former CW Production Facility Dismantlement		$15,000	$7,000
K. NUKUS Chemical Research Institute Demilitarization - Uzbekistan	$2,500		
L. Weapons of Mass Destruction Proliferation Prevention - non-Russia			$40,000
M. Defense & Military Contacts	$9,000	$18,349	$18,900
N. Other Assessments/Administrative Costs - Other	$13,000	$13,221	$14,700
Audits and Examinations	$600	$600	$600
Program Management/Administration	$12,400	$12,621	$14,100
Grand Total	**$442,425**	**$400,199**	**$416,700**

* Funds are being transferred to DoE

A. Strategic Offensive Arms Elimination – Russia:

Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of Economics of the Russian Federation Concerning Cooperation in the Elimination of Strategic Offensive Arms, signed August 26, 1993.

Emergency Response Support Equipment

Includes consolidated logistics support to maintain CTR-provided equipment, which would be used to recover missiles in case of accident.

Solid Propellant Disposition Facility

This project provides a low pressure, contained burn system to remove the propellant from solid rocket motors (SRMs) from SS-25s, SS-24s and SS-N-20s and a capability to cut up the SRM cases, missile canisters, and other components from SS-24 and SS-25 missiles, consistent with all relevant Strategic Arms Reduction Treaty (START) provisions and agreements, including the relevant provisions of the START Conversion or Elimination Protocol.

Solid Propellant ICBM/SLBM and Mobile Launcher Elimination

This project provides support to eliminate SS-24/25 and SS-N-20 solid propellant missile systems. Activities include operation and maintenance of the Solid Propellant Disposition Facility (SPDF); refurbishment and operation of Russian missile disassembly facilities; equipment for and operation of mobile launcher elimination facilities; destruction of SS-N-20 missiles by open burn; and destruction of treaty-limited components, canisters, gas generators, and other pyrotechnics.

Liquid Propellant Disposition Systems

This project provided equipment to dispose of liquid fuel and oxidizer associated with Inter-Continental Ballistic Missile (ICBM)/Submarine-Launched Ballistic Missile (SLBM) elimination in an economical, safe, and environmentally sound manner. Included in this project are three propellant (UDMH) disposition units (catalytic hydrogenation equipment to break down propellant into commercial chemicals); inter-modal containers, flatbed railcars, and cranes to assist in liquid fuel transportation and storage; and two mobile oxidizer processing units to convert oxidizer into concentrated nitric acid. (Note: In February 2002, upon learning that the Russian Federation had diverted the fuel and oxidizer to its space launch program, DoD terminated the contract for the oxidizer processing units and issued a stop work for the propellant disposition contracts.)

Liquid Propellant ICBM and Silo Elimination

This project supports the deactivation and dismantlement of SS-18 ICBM silos and associated launch control center (LCC) silos, to include technical site restoration and associated infrastructure. Project includes defueling and removal of all SS-18 and SS-19 missiles from launchers. Additionally, SS-17, SS-18, and SS-19 ICBMs (to include liquid fuel and oxidizer) and associated launch canisters will be eliminated consistent with all relevant START provisions and agreements, including the relevant provisions of the START Conversion or Elimination Protocol.

SLBM Launcher Elimination/SSBN Dismantlement

This project eliminates SLBM launchers, consistent with all relevant START provisions and agreements, including the relevant provisions of the START Conversion or Elimination Protocol, from Yankee class, Delta class, and Typhoon class Russian nuclear ballistic missile submarines (SSBNs) and dismantles their associated SSBNs at five START-designated elimination facilities. In addition, this project provides the infrastructure required to defuel the SSBNs at the Zvezdochka and Zvezda naval facilities.

Spent Naval Fuel Disposition

This project supports the disposition of spent naval fuel (SNF) removed from Russian Federation SSBNs (Yankee, Delta, and Typhoon), permitting the elimination of SLBM launchers and dismantlement of Russian SSBNs.

Liquid Propellant SLBM Elimination

This project ships, defuels, neutralizes, and destroys liquid propellant SS-N-6, SS-N-8, SS-N-18, and SS-N-23 missiles removed from SLBM launchers that are being eliminated, including spares, consistent with all relevant START provisions and agreements, including the relevant provisions of the START Conversion or Elimination Protocol. The effort refurbished and maintains SLBM elimination facilities at the Revda Base, Sergiev Posad Design Institute, and the Krasnoyarsk KrasMash to support this work.

B. Nuclear Weapons Storage Security – Russia:

Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of the Russian Federation Concerning Cooperation in Nuclear Weapons Storage Security through Provision of Material, Services, and Related Training, signed April 3, 1995.

Automated Inventory Control and Management System

This project enhances the Russian Ministry of Defense (MOD) capability for the accounting and tracking of strategic and tactical nuclear weapons. It provides checks to reduce risk of loss as weapons are prepared for and transported to dismantlement facilities. The project will provide an integrated weapons inventory system that supports local site data management and aggregate data management at multiple levels of MOD's management structure.

Personnel Reliability and Safety

This project provides a capability to raise the standards of conduct of security personnel who have access to nuclear weapons through drug and alcohol screening and reliability evaluation of personnel, and improves the safety of those personnel by providing dosimeters for radiation and radon detection.

Guard Force Equipment and Training

This project enhances the capability of MOD's guard force to deny access to nuclear weapon storage areas by providing specialized equipment, training aids, associated training, and logistics support at storage site locations.

Nuclear Weapons Storage Site Support

This project enhances the safety and security of MOD's nuclear weapons storage sites, including vulnerable road to rail weapons transfer sites, by providing equipment, technical expertise, training, and services to develop and implement security improvements and provide a response capability for nuclear weapon accidents/incidents. It also includes test and measurement equipment for certifying weapons handling equipment for safe use.

Site Security Enhancements

This project provides urgently needed "Quick Fix" security enhancements and prepares sites for the comprehensive upgrades. It also designs, procures components and installs the integrated physical security system at MOD's nuclear weapon storage sites. Temporary nuclear weapons sites such as road to rail transfer sites will receive systems to enhance security during weapons transfers.

C. Nuclear Weapons Transportation Security – Russia:

Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of the Russian Federation Concerning Cooperation in Nuclear Weapons Transportation Security through Provision of Material, Services, and Related Training, signed April 3, 1995.

Nuclear Weapons Transportation

This project assists Russia to safely and securely transport deployed nuclear warheads to secure storage and dismantlement facilities.

Railcar Maintenance and Procurement

This project supports the certification of a required set of MOD's nuclear weapons rail cars through preventive and depot maintenance, and extends the life of currently in-use rail cars or, where this is not possible, initiates production of up to 100 safe and secure weapons transport and 15 guard cars. Russia will eliminate two weapons transport cars for each new one provided.

Weapons Transportation Safety Enhancements

This project will supplement equipment previously provided under the Emergency Support Equipment (ESE) and Information Analysis System (IAS) projects and further enhance MOD's accident response and mitigation capability.

D. Fissile Material Storage Facility (FMSF) – Russia:

Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of the Russian Federation for Atomic Energy Concerning Technical Assistance for Design of a Safe, Secure, and Ecologically Sound Storage Facility for Fissile Material Derived from the Destruction of Nuclear Weapons, signed October 5, 1992.

This project will provide centralized, safe, secure, and ecologically sound storage for fissile material from nuclear weapons. The FMSF will provide a capability for storing up to 25,000 containers - enough capacity for fissile material from more than 12,000 nuclear weapons. This program area provides for transparency of loading and storage of fissile material.

E. Elimination of Weapons Grade Plutonium Production – Russia:

Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of the Russian Federation for Atomic Energy Concerning the Modification of the Operating Seversk (Tomsk Region) and Zheleznogorsk (Krasnoyarsk Region) Plutonium Production Reactors, signed September 23, 1997.

This project supports U.S. non-proliferation objectives and is intended to result in the cessation of known weapons-grade plutonium production at the three plutonium producing reactors now operating at Seversk and Zheleznegorsk. Those reactors currently produce an estimated total of 1 to 1.5 metric tons of plutonium annually.

Given that the elimination of the production of weapons-grade plutonium at Russian reactors is associated with the core competencies of the Department of Energy (DOE), the Administration has determined that responsibility for this program should be transferred to DoE. The President's budget request for FY 2003 reflects this transfer of responsibility, and funds previously appropriated to DoD for this purpose will be transferred to DoE for execution.

F. Strategic Nuclear Arms Elimination – Ukraine:

Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of Ukraine Concerning the Provision of Material, Services, and Related Training to Ukraine in Connection with the Elimination of Strategic Nuclear Arms, signed December 5, 1993.

SS-19 Neutralization and Dismantlement Facility

This project eliminated all SS-19 ICBMs and launch containers. This project will also eliminate 31 non-deployed and un-fueled SS-19 ICBMs, one non-deployed and un-fueled SS-18 ICBM, and various pyrotechnics from SS-24 ICBMs.

SS-24 Silo Elimination

This project eliminated all 46 SS-24 ICBM silo launchers in Ukraine consistent with all relevant START provisions and agreements, including the relevant provisions of the START Conversion or Elimination Protocol. The project also removed ICBMs and four launch control centers, and is dismantling missile launch and control center sites, and performing site technical restoration.

SS-24 Missile Disassembly, Storage, and Elimination

This project provided the services to renovate or construct facilities to store missiles or disassembled motors, disassemble 54 missiles at Pavlograd Mechanical Plant (PMP), operate and maintain storage facilities to temporarily store missiles and motors, and eliminate accountable SS-24 missile components, consistent with all relevant START provisions and agreements, including the relevant provisions of the START Conversion or Elimination Protocol.

SS-24 Propellant Disposition Facility

This project supports elimination of Ukrainian SS-24 ICBMs by providing facilities and services required to safely remove and dispose of solid propellant from 163 SS-24 1st/2nd/3rd stage missile motors. The propellant disposition process will be designed to be environmentally compliant and to preclude future use of SS-24 propellant in military applications.

Bomber and ALCM Elimination

This project provided the equipment and services to eliminate 38 Ukrainian bombers (27 Tu-95MS Bear-Hs and 11 Tu-160 Blackjacks), consistent with all relevant START Treaty provisions and agreements, including the relevant provisions of the START Conversion or Elimination Protocol and the commitment of the Ukrainian government. In addition, 493 Kh-55A and Kh-55B (AS-15 Kent) air-launched cruise missiles (ALCMs) were eliminated. In FY 2001, this project was expanded to eliminate up to 40 Tu-22M Backfire Bombers and up to 230 Kh-22 nuclear air to surface missiles.

G. Weapons of Mass Destruction Infrastructure Elimination – Ukraine:

Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of Ukraine Concerning Cooperation in the Elimination of Infrastructure for Weapons of Mass Destruction through Provision to Ukraine of Material, Services, and Related Training, signed June 27, 1995.

Liquid Missile Propellant and Storage Facilities Elimination

This project will dismantle equipment and infrastructure at all eight missile propellant storage and handling facilities.

Airbase Infrastructure Elimination

This project will eliminate infrastructure critical to sustaining long-range bomber and ALCM operations at former heavy bomber bases in Ukraine.

H. Weapons of Mass Destruction Infrastructure Elimination – Kazakhstan:

Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of Energy, Industry, and Trade of the Republic of Kazakhstan Concerning the Elimination of Infrastructure for Weapons of Mass Destruction, signed October 3, 1995.

Fissile and Radioactive Material Proliferation Prevention

This project prevents proliferation of previously unsecured fissile and radioactive material through barriers and secure storage.

Airbase Infrastructure Elimination

This project will eliminate infrastructure critical to sustaining long-range, heavy bomber operations at former heavy bomber bases.

Liquid Missile Propellant and Storage Facilities Elimination

This project will eliminate liquid propellant for missiles and dismantle equipment and infrastructure at missile propellant storage and handling facilities.

CW Production Facility Dismantlement

This project will dismantle a former chemical weapons production facility.

I. BW Proliferation Prevention - FSU:

Security Enhancements

Under the International Science and Technology Center (ISTC) Agreement or pursuant to the Agreement Between DoD of the United States of America and the Ministry of Energy, Industry and Trade of the Republic of Kazakhstan Concerning the Elimination of Infrastructure for WMD, signed October 3, 1995, the Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Uzbekistan Concerning Cooperation in the Area of Demilitarization of Biological Weapons Associated Facilities and the Prevention of Proliferation of Biological Weapons Technology, signed October 22, 2001, and new implementing agreements being negotiated, this project enhances security of dangerous biological pathogens at former Soviet biological weapons (BW) research centers. It will identify and implement security systems improvements; identify safety deficiencies and implement needed improvements; and identify and implement initiatives to consolidate collections at fewer sites.

BW Production Facilities Dismantlement

Pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of Energy, Industry and Trade of the Republic of Uzbekistan Concerning the Elimination of Infrastructure for WMD, signed October 3, 1995, and the Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Uzbekistan Concerning the Cooperation in the Area of Demilitarization of BW Associated Facilities and the Prevention of Proliferation of BW Technology, signed October 22, 2001, this project supports the elimination of former Soviet BW research centers, production facilities, environmental containment infrastructure, and dangerous pathogen production capability. It renders the centers incapable of producing BW without major reconstruction and refitting. Under the ISTC Agreement or pursuant to new implementing agreements yet to be negotiated, this project also will support the elimination of Russian BW research centers.

Collaborative Research

Under the ISTC Agreement or pursuant to a new implementing agreement yet to be negotiated, this project enhances transparency, improves standards of conduct of scientists and leverages the extensive expertise of former Soviet BW scientists to address DoD bio-defense needs in the areas of force protection, medical countermeasures, counter-terrorism, modeling and disease surveillance. U.S. researchers are currently collaborating with former Soviet BW research institutes

working side-by-side with counterparts on approved projects. The project also helps to ensure non-proliferation of this scientific and technical knowledge base.

J. **Chemical Weapons Destruction – Russia:**

Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the President's Committee of the Russian Federation on Conventional Problems of Chemical and Biological Weapons of the Russian Federation Concerning the Safe, Secure, and Ecologically Sound Destruction of Chemical Weapons, signed July 30, 1992.

Chemical Weapons Destruction Facility

This project provides for the creation of the first Russian Chemical Weapons Destruction Facility for organophosphorous (nerve) agent filled munitions subject to Russia satisfying the six conditions contained in the FY 2002 National Defense Authorization Act. The project includes the design, equipment acquisition, and installation, construction, systems integration, training, and start-up of the facility (near Shchuch'ye, Kurgan Oblast), as well as associated unique destruction process and equipment development.

Former CW Production Facility Demilitarization:

This project eliminates former chemical weapons production facilities at Volgograd and Novocheboksarsk in accordance with the Organization for the Prohibition of Chemical Weapons (OPCW) approved plan.

K. Nukus Chemical Research Institute Demilitarization – Uzbekistan

Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Uzbekistan Concerning Cooperation in the Area of Demilitarization of Chemical Weapons Associated Facilities and the Prevention of Proliferation of Chemical Weapons Technology, signed May 25, 1999.

This project dismantled the Nukus Chemical Research Institute, a former chemical weapons research, development, and testing facility.

L. Weapons of Mass Destruction Proliferation Prevention – non-Russia

Undertaken pursuant to amendments to existing CTR implementing agreements, pending CTR implementing agreements and/or through other appropriate international agreements providing rights, exemptions and protections for U.S. personnel and

activities similar to the rights, exemptions and protections provided for CTR activities under existing agreements.

This project will enhance the capability of non-Russian FSU countries to prevent, deter, detect and interdict illicit trafficking in WMD or related materials and respond effectively to WMD incidents. Individual and unit equipment; infrastructure; operations and maintenance training; and WMD incident response exercises to non-Russian FSU agencies with a defined role in WMD proliferation prevention will be provided to military and internal security forces, border guards and customs officials and will complement ongoing DoD Counterproliferation and Department of State Export Control and Related Border Security programs.

M. Defense and Military Contacts:

This project develops improved cooperation between the United States and FSU military establishments through increased bilateral contacts such as high level visits and specialist exchanges between the DoD and the respective MOD. These bilateral activities are designed to engage FSU military and defense officials in activities that promote demilitarization of excess infrastructure and defense reform or further counterproliferation efforts.

N. Other Assessments/Administrative Support:

Audits and Examinations

This project allows the U.S. Government to account for CTR assistance delivered, examine the serviceability of the CTR provided equipment, and evaluate whether or not equipment, services and training provided is being used for DoD intended purposes.

Program Management/Administration

This project provides for general program administrative and overall support costs, project development costs, and contracted systems engineering and technical assistance support. Also included is overall in-country management and translation support as long as such expenses are not unique to specific projects or established implementing agreements.